

## Message Text

PAGE 01 STATE 050356

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TO AMEMBASSY RABAT IMMEDIATE

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FOR AMBASSADOR FROM SISCO

E.O. 11652: XGDS-3

TAGS: PFOR, MASS, US, EG, IS

SUBJECT: U.S. MILITARY EQUIPMENT SALES TO EGYPT

1. SUMMARY: FOLLOWING IS FULL REPORT OF MY CONVERSATION MARCH 1 WITH DINITZ ON ARMS FOR EGYPT WHICH I WANT YOU TO HAVE PROMPTLY FOR YOUR BACKGROUND. IT APPEARS LIKELY WE WILL BE GETTING EARLY ISRAELI REACTION, PRESUMABLY AT THIS END, AND YOU SHOULD BE AWARE OF HOW WE HAVE PRESENTED MATTER TO ISRAELIS. AS EXPLAINED BELOW, I OUTLINED TO DINITZ THE FIVE CATEGORIES OF MILITARY EQUIPMENT FOR POSSIBLE SALE TO EGYPT THAT ADMINISTRATION HAD BEEN STUDYING INTERNALLY AND TOLD HIM OF PRESIDENTIAL DECISION TO PROCEED WITH CONGRESSIONAL CONSULTATION ON FIRST THREE  
SECRET

PAGE 02 STATE 050356

CATEGORIES. I NOTED WE WOULD ALSO MENTION LAST TWO CATEGORIES IN COURSE OF CONSULTATION ON HILL AS SOMETHING WE MIGHT LOOK AT IN FUTURE. DINITZ VOICED PERSONAL VIEW GOI WOULD STRONGLY OPPOSE ANY U.S. ARMS SALES TO EGYPT,

NO MATTER HOW LIMITED AT OUTSET, DESPITE ISRAELI APPRECIATION OF VALUE OF U.S.-EGYPTIAN RELATIONSHIP, AND WOULD REGARD THIS DECISION AS BASIC CHANGE IN U.S. APPROACH AND AS DEPARTURE FROM PAST U.S. ASSURANCES. HE PREDICTED GOI WOULD HAVE POLITICAL TROUBLE IN KNESSET OVER THIS

DEVELOPMENT, ALTHOUGH HE APPRECIATED U.S. HAD CERTAINLY NOT INTENDED THIS. END SUMMARY.

2. UNDER SECRETARY SISCO INVITED AMBASSADOR DINITZ TO CALL MARCH 1 AND MADE FOLLOWING PRESENTATION, ASKING THAT IT BE REPORTED WITH PRECISION TO ISRAEL.

A. AS GOI WAS AWARE, SADAT HAD EXPRESSED INTEREST IN ACQUIRING SOME WEAPONS FROM U.S. AND IN SENDING SOME OFFICERS TO BE TRAINED IN U.S. MILITARY SCHOOLS. WE CAREFULLY STUDIED SADAT'S REQUEST. THE PRESIDENT HAS NOW AUTHORIZED GO-AHEAD WITH CONSULTATIONS ON HILL ABOUT LIMITED ARMS SALES TO EGYPT, AND WE WANTED GOI TO KNOW WHAT WE WERE TALKING TO CONGRESS ABOUT AND HOW WE SAW OUR INTERESTS--AND ISRAEL'S--RELATIVE TO OUR SELLING SOME ARMS TO EGYPT.

B. IN CONSIDERING QUESTION, WE WERE VERY CLEAR IN OUR MINDS THAT WE DID NOT WANT TO BECOME EGYPT'S PRINCIPAL ARMS SUPPLIER AND WE CERTAINLY DID NOT WANT TO ALTER MILITARY BALANCE IN MIDDLE EAST, WHICH IS NOW SOLIDLY IN ISRAEL'S FAVOR.

C. ON THE OTHER HAND, WE THOUGHT IT WAS VITAL THAT SADAT BE ABLE TO DEMONSTRATE TO HIS OWN PEOPLE--PARTICULARLY THE MILITARY--AND TO OTHER ARABS THAT THERE WAS BENEFIT TO EGYPT IN HIS DELIBERATE POLICY OF ENDING EGYPTIAN DEPENDENCE ON SOVIETS AND PURSUING PRO-WESTERN COURSE. WE BELIEVE WILLINGNESS OF U.S. TO SELL SOME MILITARY EQUIPMENT AND PROVIDE SOME TRAINING IS ESSENTIAL IF WE ARE TO PUT SADAT IN A POSITION TO DO THIS. OUR  
SECRET

PAGE 03 STATE 050356

CONTINUED ABILITY TO INFLUENCE EGYPT, AND TO CONVINCE ARAB WORLD THAT IT IS ADVANTAGEOUS TO FOLLOW OUR LEAD, IS IN ISRAEL'S INTEREST AS WELL AS OUR OWN. SIMILARLY, IT IS IN ISRAEL'S INTEREST THAT SADAT CONTINUE TO HAVE SUPPORT IN EGYPT FOR HIS MODERATE POLICIES. WE WOULD THEREFORE HOPE THAT ISRAEL WOULD NOT OPPOSE A MODEST MILITARY SALES RELATIONSHIP WITH EGYPT THAT WOULD BE SEEN BY BOTH THE U.S. AND EGYPT OF CONSIDERABLE POLITICAL BUT VERY MARGINAL MILITARY SIGNIFICANCE.

D. THERE HAS BEEN NET DETERIORATION OF EGYPT'S MILITARY CAPABILITY SINCE 1973. SOVIET DELIVERIES OF MAJOR ITEMS, SUCH AS TANKS, AIRCRAFT, ARTILLERY, APC'S TO EGYPT SINCE

THE START OF OCTOBER WAR HAVE NOT FULLY COMPENSATED FOR EGYPT'S COMBAT LOSSES. OUR INFORMATION IS THAT THE LAST SUBSTANTIAL DELIVERIES BY USSR TOOK PLACE ABOUT MAY 1975. SINCE THEN SOVIETS HAVE SUPPLIED ONLY MINOR EQUIPMENT, AMMUNITION AND SPARE PARTS, AND THAT IN INADEQUATE

QUANTITIES TO KEEP ALL THE EQUIPMENT ALREADY SUPPLIED FULLY OPERABLE. MOREOVER, THE SOVIETS STOPPED ALL DELIVERY OF SUCH CRITICAL SPARE PARTS AS AIRCRAFT ENGINES EARLY THIS YEAR.

E. RESULT HAS BEEN TO RAISE SERIOUS QUESTIONS WITHIN EGYPT ITSELF AND IN CERTAIN ARAB QUARTERS AS TO CORRECTNESS OF SADAT'S DECISION TO TURN AWAY FROM THE USSR AND TOWARD THE U.S.

F. NEITHER UNITED STATES NOR EGYPT HAS DISCUSSED IN SPECIFIC TERMS WHAT SORT OF LONG-TERM RELATIONSHIP SHOULD DEVELOP IN THE MILITARY FIELD. HOWEVER, WE HAVE MADE IT CLEAR TO SADAT THAT WE WOULD NOT ENVISAGE ANYTHING WHICH COULD UPSET MILITARY BALANCE IN AREA, A BALANCE WHICH IS IN ISRAEL'S FAVOR. WE BELIEVE HE UNDERSTANDS IT IS NOT OUR INTENTION IN FORESEEABLE FUTURE TO DO ANYTHING OF MAJOR MILITARY SIGNIFICANCE IN THE SUPPLY RELATIONSHIP.

G. WE HAVE NOT REACHED AGREEMENT WITH EGYPT ON WHAT WE WILL SUPPLY. WE ARE CABLING CAIRO TODAY TO SAY CONGRES-  
SECRET

PAGE 04 STATE 050356

SIONAL CONSULTATIONS HAVE BEGUN AND THE ONLY SPECIFIC MILITARY ITEMS WE ARE PRESENTLY CONSIDERING ARE SIX C-130 AIRCRAFT AND TRAINING FOR SOME EGYPTIAN OFFICERS AT MILITARY SCHOOLS IN THIS COUNTRY. EGYPTIANS KNOW THAT PRIOR TO ANY DECISION ON THESE ITEMS OR ADDITIONAL MILITARY GOODS OR SERVICES, ADMINISTRATION WILL CONSULT FULLY WITH CONGRESS.

H. DEPENDING ON OUTCOME OF OUR CONSULTATIONS, WE WILL PROCEED TO CONSIDER SPECIFIC SALES IN FIRST THREE OF THE FOLLOWING FIVE CATEGORIES. WE HAVE EXAMINED ARMS IN FIVE BROAD CATEGORIES:

- (1) MILITARY TRAINING AND VISITS.
- (2) PASSIVE MILITARY EQUIPMENT SUCH AS TARGET DRONES, MINE DETECTORS AND RADIOS.
- (3) AIR TRANSPORT EQUIPMENT, C-130S AND HELICOPTERS.
- (4) OTHER NON-OFFENSIVE EQUIPMENT SUCH AS RADAR AND PARTS FOR EQUIPMENT ALREADY IN USE.

(5) MORE SENSITIVE ITEMS WHICH EGYPTIANS HAVE MENTIONED, ALTHOUGH HAVE NOT REQUESTED. THIS INCLUDES F-5S, APCS, ANTI-TANK MISSILES, AND SOME TORPEDOS.

I. DEPENDING ON OUTCOME OF OUR CONSULTATIONS, WE WILL PROCEED TO CONSIDER SPECIFIC SALES IN THE FIRST THREE CATEGORIES. AT SOME LATER POINT, WE MIGHT WANT TO CONSIDER MORE SENSITIVE EQUIPMENT, WHICH WE WILL INDICATE TO CONGRESS, ELICITING REACTIONS. WE WOULD BE IN TOUCH WITH ISRAEL BEFORE TAKING SUCH STEP.

J. WITH RESPECT TO THE C-130'S, WE WOULD USE FOREIGN MILITARY SALES ACT AND WOULD THUS SUBMIT IT FORMALLY TO CONGRESS UNDER NELSON-BINGHAM AMENDMENT.

3. DINITZ SAID HE WOULD AWAIT OFFICIAL REACTION FROM JERUSALEM, BUT HE KNEW THAT ISRAELI POLICY WAS ONE OF SECRET

PAGE 05 STATE 050356

TOTAL OBJECTION TO U.S. SUPPLY OF ANY MILITARY EQUIPMENT TO EGYPT. EGYPT WAS AT WAR WITH ISRAEL AND ANY AUGMENTATION OF EGYPT'S MILITARY CAPABILITY COULD BE THREAT TO SECURITY OF ISRAEL. RABIN HAD CLEARLY ENUNCIATED THIS POLICY TO THE SECRETARY. WHEN THE SECRETARY MENTIONED TO RABIN POSSIBILITY OF C-130 SALE TO EGYPT, RABIN STATED THIS AS ISRAELI POLICY AND ADDED HE WAS CONCERNED ABOUT PRECEDENT. THE SECRETARY TOLD RABIN THAT NO OTHER SALES OF MILITARY EQUIPMENT TO EGYPT WERE CONTEMPLATED. ALSO, WHEN PRESS STORY ABOUT PHANTOM ENGINES FOR EGYPTIAN MIGS CAME UP A FEW DAYS AGO, U.S. ASSURED ISRAEL NO SUCH SALES WERE CONTEMPLATED.

4. DINITZ SAID HE FELT PERSONALLY THAT THIS DEVELOPMENT WOULD EVOKE STRONG ISRAELI REACTION. IN ADDITION TO ABOVE CONSIDERATIONS, PLUS FACT EGYPT WAS PROCURING ARMS FROM EUROPEAN COUNTRIES, SITUATION IN ISRAEL WAS SUCH THAT NOT ONLY GOI BUT ALSO KNESSET WOULD TAKE GRAVE VIEW. ON PREVIOUS DAY GOI HAD TO FACE SHARP QUESTION IN KNESSET ON U.S. ARMS SUPPLY TO SAUDI ARABIA. DECISION ON ARMS FOR EGYPT WOULD PUT GOI IN DIFFICULT POSITION DOMESTICALLY. DINITZ SAID HE APPRECIATED THERE WAS NO U.S. INTENTION TO CAUSE GOI THIS DIFFICULTY, BUT HE WOULD BE REMISS IF HE DID NOT EXPLAIN EFFECT THIS DEVELOPMENT WOULD HAVE IN ISRAEL. AFTER HIS RETURN FROM U.S., RABIN HAD ASSURED KNESSET MEMBERS THAT SECRETARY HAD STATED NO OTHER ITEMS BESIDES C-130 WERE CONTEMPLATED FOR EGYPT. NOW THERE WOULD BE PROBLEM OF CREDIBILITY.

5. SISCO EXPRESSED SURPRISE THAT ISRAELIS MIGHT REGARD

THIS AS CHANGE IN BASIC U.S. APPROACH. HE REMINDED

DINITZ THAT CONSULTATION ON HILL ABOUT ANY ITEMS BEYOND C-130S AND EGYPTIAN OFFICER TRAINING WAS PURELY EXPLORATORY. AS FOR SECRETARY'S DISCUSSION WITH RABIN, PRESIDENTIAL DECISION WAS TAKEN SINCE THAT TIME. DINITZ ACKNOWLEDGED LATTER POINT BUT OBSERVED DECISION WENT BEYOND WHAT THE SECRETARY HAD SAID. HE ADDED HE WAS

SECRET

PAGE 06 STATE 050356

GRATEFUL THAT SISCO HAD BEEN SO CANDID AND HAD EXPLAINED ALL FIVE CATEGORIES. HE ALSO ACKNOWLEDGED THAT PRESIDENTIAL DECISION RELATED ONLY TO FIRST THREE CATEGORIES. DINITZ POINTED OUT, HOWEVER, THAT U.S. AT LATER DATE WOULD CONSIDER THE OTHER TWO CATEGORIES.. THUS, THIS WAS GRADUAL APPROACH ON PART OF ADMINISTRATION, AND ISRAEL WOULD HAVE TO LOOK AT IT AS A BASIC U.S. POLICY DECISION.

6. SISCO SAID HE WOULD NOT ARGUE THAT U.S. SALES WOULD NOT ADD TO EGYPTIAN EQUIPMENT INVENTORIES, BUT HE ASKED THAT ISRAEL BEAR IN MIND IMPORTANT POLITICAL AND PSYCHOLOGICAL CONSIDERATIONS INVOLVED. THIS WAS CAREFULLY THOUGHT-OUT PROGRAM AND VERY MODEST ONE. IT WAS SIGNIFICANT FOR OVERALL U.S.-EGYPTIAN RELATIONSHIP AND SHOULD HAVE POSITIVE IMPACT ON AREA SITUATION. ISRAEL SHOULD LOOK AT IT FROM BROADER VIEW AND RECOGNIZE ITS VALUE AS POLITICAL DETERRENT ON EGYPT. HE ASKED THAT ISRAEL EXAMINE PROGRAM AS MANAGED APPROACH AND WEIGH IT POLITICALLY IN TERMS OF IT IN INTEREST OF ISRAEL FOR U.S. TO HAVE SOLID RELATIONSHIP WITH EGYPT.

7. DINITZ SAID ISRAEL UNDERSTOOD THIS POINT AND HAD ILLUSTRATED IT BY A SERIES OF ACTIONS GOI HAD TAKEN. U.S. POSITION IN MIDDLE EAST WAS IMPORTANT TO ISRAEL, BUT ISRAEL HAD HOPED THAT U.S.-EGYPTIAN MILITARY SUPPLY RELATIONSHIP COULD BE AVOIDED. ISRAEL HAD BEEN ASSURED SEVERAL TIMES THAT U.S. WOULD NOT CONTEMPLATE SUCH RELATIONSHIP (A) AS LONG AS EGYPT WAS IN STATE OF WAR WITH ISRAEL, (B) WHILE THERE REMAINED A REAL DANGER OF RESUMPTION OF HOSTILITIES, AND (C) WITHOUT HOLDING DETAILED ADVANCE CONSULTATIONS WITH ISRAEL. DINITZ PERSONALLY DID NOT SEE THAT THESE THREE CONDITIONS HAD BEEN MET. HIS CONVERSATION TODAY WITH SISCO WAS NOT CONSULTATION, AS SISCO WAS INFORMING HIM OF A PRESIDENTIAL DECISION. SISCO NOTED THAT WE HAD NOT YET INFORMED EGYPTIAN GOVERNMENT, AND WOULD ONLY NOW DO SO.

8. SISCO SAID HE UNDERSTOOD THE SECRETARY HAD EXPLAINED MATTER TO RABIN. HE HOPED THIS WOULD NOT NOW BECOME U.S.-ISRAELI BONE OF CONTENTION. DINITZ SAID AS FAR AS

SECRET

PAGE 07 STATE 050356

HE KNEW, SECRETARY HAD MENTIONED TO RABIN ONLY C-130'S. ISRAEL HAD NEVER OPPOSED NOR ENCOURAGED ANYONE TO OPPOSE U.S. ECONOMIC AID FOR EGYPT. ISRAEL HAD RECORDED ITS OPPOSITION TO SUPPLY TO EGYPT OF C-130'S BUT HAD NOT ENCOURAGED LOBBYING AGAINST IT.

9. SISCO SAID PROGRAM HE HAD DESCRIBED DID NOT GO BEYOND POLITICAL AND PSYCHOLOGICAL NEEDS AND HAD NO APPRECIABLE MILITARY SIGNIFICANCE. HE URGED THAT ISRAELIS BEAR THAT IN MIND. DINITZ SAID HIS EMBASSY WOULD CONVEY TO JERUSALEM POINTS THAT SISCO HAD MADE IN FULL DETAIL. SISCO REITERATED HE DID NOT THINK IT WOULD BE HELPFUL FOR U.S. OR ISRAEL IF THIS MATTER BECAME SUBJECT OF CONTENTION. DINITZ STRESSED GOI WAS NOT LOOKING FOR CONTENTION AND DID NOT WANT TO OPPOSE ANY ADMINISTRATION POLICY. BUT ISRAEL WOULD HAVE TO WEIGH ENTIRE QUESTION AND NOT JUST MODEST START WHICH U.S. ENVISAGED. SISCO SAID HE UNDERSTOOD THIS, AND THIS WAS REASON WHY HE HAD EXPLAINED ALL FIVE CATEGORIES. WHEN DINITZ REFERRED AGAIN TO EGYPTIAN ARMS PROCUREMENT IN EUROPE, SISCO POINTED OUT SADAT NEEDED TO DEMONSTRATE THAT HIS BREAK WITH USSR HAD MEANT THAT HE COULD RELY ON U.S. THIS OF SIGNIFICANCE TO SADAT POLITICALLY. SADAT IN FACT WOULD HAVE A PROBLEM OVER MODEST CHARACTER OF PROPOSED PROGRAM; TO HIS ARAB CRITICS HE WOULD SEEM TO HAVE PRODUCED A MOUSE. INGEJINGERSOLL UNQTE INGERSOLL

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